



DEPARTMENT OF PUBLIC SOCIAL SERVICES

WELFARE FRAUD PREVENTION & INVESTIGATIONS SECTION

Number
03-29

Date
12/15/2003

ADMINISTRATIVE MEMORANDUM

SUBJECT: SECURITY PROCEDURES FOR FEDERAL TAX RETURN INFORMATION (FTI)

REFERENCE: DPSS Manual Letter 306, 9/23/03
BPPRE Administrative Memorandum 02-33, 10/29/2002
BPPRE Administrative Memorandum 02-33, 08/13/2003
CDSS All County Letter, INTERNAL REVENUE SERVICE SAFEGUARD REQUIREMENTS, 5/7/2002

CANCELS: None

SPECIAL ATTENTION: ☒ Intake Unit ☒ Special Assignment Unit ☒ Suspense Unit

PURPOSE/POLICY

This Administrative Memorandum establishes mandatory security procedures for receiving, processing, storing and destroying Federal Taxpayer Information (FTI) by Welfare Fraud Prevention & Investigations (WFP&I) Section staff. These procedures are effective with the release of this Administrative Memorandum.

I. BACKGROUND

FTI includes Beneficiary Earnings Exchange Record (BEER), Internal Revenue Service (IRS) Asset Matches, and Federal Employer Identification Number (FEIN) microfiche data. All BEER and IRS abstracts and control log information is confidential. As a condition of receiving FTI, the Department must establish and maintain safeguards designed to protect the confidentiality of the FTI and prevent unauthorized use or misuse.

BEER and IRS matches are two components of the Income and Eligibility Verification System (IEVS). These matches are produced annually and provide information obtained from the Social Security Administration (SSA) and the IRS. BEER and IRS reported income is reported by tax year and is up to 24 months old.

II. PROCEDURES

WFP&I staff shall ensure that all FTI, BEER, IRS Asset abstracts, FTI control logs and FEIN microfiche information are secured in a designated locked file cabinet when not in use during lunch, breaks and non-working hours and at the end of each business day.

III. PROCEDURES (Continued)

A. Administrative Deputy - WFP&I

1. Receives sealed envelope marked "Confidential" containing FTI from District Eligibility staff.
2. Forwards envelope containing FTI to WFP&I's Intake Unit.

B. Intake Unit - WFP&I

1. Receives LEADER Fraud Referral for investigation of allegation resulting from FTI.
 - a. If "Remarks" tab indicates that the referral resulted from FTI, the Intake WFI shall "black out" FTI identifying information (name, Social Security Number, Employer, Financial Institution) on all LEADER printouts.
2. Assigns the referral to a designated Welfare Fraud Investigator (WFI) assigned to the Special Assignment Unit (SA01).
3. Receives backup documentation from the Administrative Deputy, including a copy of the Fraud Suspect/Intake screen.
 - a. Clears Fraud "F" Number on LEADER Fraud Inquiry system.
 - b. If the Intake WFI determines that the referral has been assigned to a WFI other than a designated WFI in SA01, the Intake WFI shall:
 - 1) Transfer the referral on LEADER to a designated WFI.
 - 2) Immediately contact the SWFI of the unit where the investigation was previously assigned to advise him/her that the investigation has been re-assigned and request the CFF.
 - 3) Upon receipt of CFF, the Intake WFI completes steps outlined below:
4. Files backup documentation in Central Fraud Folder (CFF).
5. Forwards CFF to the designated WFI per existing procedures.
6. Enters the abstract information on the PA 1075, IEVS Inventory Log - Record of Issuance/Receipt of FTI.
 - a. Enters Unit and WFI number in Disposition area on PA 1075.
 - b. Completed pages of the PA 1075 shall be forwarded to the Supervisor of SA01 to be retained for 5 years as outlined in Forms Manual Letter 4415, 11/1/2002.

III. PROCEDURES (Continued)

C. Welfare Fraud Investigator (WFI)

1. Receives CFF containing FTI.
2. Annotates employment and/or asset information on the PA 334, Record of Investigative Activity.
 - a. Comments on the PA 334 and LEADER Case Comments must be limited to the simplest form. (Example: "IEVS abstract received for the 4th Quarter of 2002.").
 - b. FTI abstracts may not be referred to by name when documenting both the LEADER case comments or the PA 334, Record of Investigative Activity.
3. Reviews referral and develops an investigation plan appropriate to the information contained in the FTI.
4. Removes FTI abstract and other documentation identifying FTI from CFF:
 - a. Places FTI in a manila folder labeled with the case name, case number, FTI Participant's name and Social Security number and WFI's file number.
 - b. Files manila folder containing FTI in locked file cabinet designated for storage of FTI.
5. At completion of the investigation, the WFI retrieves the manila folder containing the FTI and places it in CFF to be forwarded to SWFI review and approval.

D. Supervising Welfare Fraud Investigator (SWFI)

1. Receives and reviews CFF for completed investigation per existing procedures.
 - a. Negative Fraud Findings:
 - 1) Forwards folder containing all FTI to Unit Clerk for shredding.
 - b. Positive Fraud Findings
 - 1) Returns manila folder containing FTI to the Unit Clerk to be filed in the designated file cabinet and retained for 5 years.
 - 2) Ensures that all FTI, including BEER and IRS Asset abstracts and related documents including Control Logs, are shredded after the 5-year retention period.

III. PROCEDURES (Continued)

E. Unit Clerk - Special Assignment Unit

1. Receives manila folder containing CFF from SWFI.
2. Files FTI on positive fraud investigations as instructed by SWFI.
3. Shreds FTI as instructed by SWFI.
4. Annotates PA 1076, IEVS - FTI Destruction Log as follows:
 - a. Date FTI Destroyed.
 - b. FTI Participants name and SSN.
 - c. Signs Destruction Log as person responsible for destroying FTI.
5. Retains PA 1075, IEVS Inventory Log and PA 1076, IEVS Destruction Log in designated locked secure file cabinet for 5 years.

F. Mail Room Clerk

1. Ensures that sealed envelopes marked "Confidential" and/or "Confidential - BEER/IRS" are not opened and are forwarded immediately to the Administrative Deputy.

G. Clerical Supervisor - WFP&I Suspense

The Clerical Supervisor of WFP&I's Suspense Unit or designate shall:

1. Review all CFFs transferred to WFP&I's Suspense Unit to ensure that all abstracts/documents containing FTI were removed from the CFF prior to sending CFF to Suspense.
2. Returns CFF containing FTI to Supervising Welfare Fraud Investigator.
3. Ensure that all FTI has been removed from CFF prior to forwarding to FKI for storage.

III. PROCEDURES (Continued)

Please direct any questions regarding this memorandum to your immediate supervisor.

Luther Evans, Director
Welfare Fraud Prevention & Investigations Section

E:MH:RW
Admin Memo IRS Safeguards

Deputy Directors
Chief Clerk

III. PROCEDURES (Continued)

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c: Deputy Directors
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